

attempt to sell stock to the public proved a failure and the capital of the bank was furnished exclusively by the Treasury,

Relief from a part of the burden of the external debt and a rectification of the budget were necessary to extricate the country from its difficulties. The first arrangement for these purposes, made under a law of January 23, 1891, providing for a loan in London of £15,000,000 at six per cent., proved too burdensome, and was superseded by a new project in 1893. Under this plan the Argentine Government was permitted to reduce its interest payments for five years to seventy per cent, of the amounts stipulated, but was to make up the amount at a later date.¹ Promises were again made that expenses should be curtailed and every effort put forth to restore order to the public finances. The result of these measures and a large export movement of cereals was to reduce the quotation for gold from 278 in August, 1898, to 206 in December of the same year. While the change was acceptable to the government, to importers, and to those who had invested foreign capital in the country, it called forth loud protests from agriculturists and exporters. Even the Minister of Finance was forced to admit in his report for April, 1900, that "the study of the conversions operated in other countries had persuaded him of the truth of the principle, that if the money of a given country had suffered a great depreciation, which had long been maintained, in such manner that the economic conditions of the country had been radically transformed, it was impossible to return to the old par of exchange." ^a

It was felt that the time had arrived, however, when the government was strong enough to establish a stable exchange. There had been no additions to the paper issues since 1893, and the amount outstanding was about \$296,690,000, which at the value of gold at the time of issue represented \$156,452,000.³ Two important laws were accordingly passed in November, 1899—the first providing for the crea-

¹ Lyon, in *Questions Monétaires Contemporaines*, 810.

² Lyon, 8n.

³ *Economiste Européen*, November 10, 1899, XVI., 580.